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招商局 置地有限公司
CHINA MERCHANTS LAND LIMITED

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招商局置地有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 978)

**SUPPLEMENTAL ANNOUNCEMENT
IN RELATION TO THE ANNUAL REPORT
FOR THE YEAR ENDED 31 DECEMBER 2023**

Reference is made to the annual report of China Merchants Land Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) for the year ended 31 December 2023 published on 23 April 2024 (the “**2023 Annual Report**”). Unless otherwise specified, capitalised terms used herein shall have the same meanings as those defined in the 2023 Annual Report.

In addition to the information provided in the 2023 Annual Report, the board (the “**Board**”) of directors of the Company (the “**Directors**”) would like to provide supplemental information regarding the disclosure with respect to the other receivables of the Group as follows, which should be read in conjunction with the 2023 Annual Report.

AMOUNTS DUE FROM NON-CONTROLLING INTERESTS

As at 31 December 2023, the Group had amounts due from non-controlling interests of project companies of approximately RMB17,267,178,000 (2022: approximately RMB15,685,141,000), which represented (i) advance distributions (i.e. pre-dividend distributions) to the non-controlling shareholders in respect of project profits of the project companies, which may be settled in the future out of the dividends to be declared attributable to the interests held by such non-controlling shareholders, and (ii) temporary receivables from the non-controlling interests. Pursuant to the respective cooperation agreements or the articles of association of the project companies, when the project companies have excess funds which was initially injected by the shareholders of the project companies, such excess

funds may be transferred upwards to the accounts of the shareholders of the project companies in proportion to their investment, resulting in a temporary receivable from the non-controlling interests. This provisional account will eventually be settled as the non-controlling shareholders of the project companies inject funds to the project companies in accordance with the funding requirements of the project companies at various stages.

The main reason for making advance distributions to non-controlling shareholders is in view of the fact that the end of the sales cycle of a project is affected by a number of factors, such as the macroeconomic situation, the rate of market realization in various places as well as the atmosphere of property purchasing while the main reason for transferring excess funds upwards to non-controlling shareholders is in view of the fact that the investment cycle of a project is affected by a number of factors, such as the macroeconomic situation, and timing of payment of land premium and construction costs. In order to improve the efficiency of the use of funds and the overall rate of return on investment, it is common for real estate companies to adopt the method of pre-dividend distribution, i.e., distributing the profits of the project company to the shareholders in advance, and transfer of excess funds upwards in accordance with the proportion of the investment, as a means of enhancing the flexibility and efficiency of the overall capital operation. This also fully reflects the Company's business strategy as a listed real estate company, which places the enhancement of its Shareholders' interests and increase in corporate value as one of the core objectives. By adopting the pre-dividend distribution and transfer of excess funds upwards method, the Company aims to improve the efficiency of capital operation and accelerate the return of profits from the projects, thereby creating greater value for the Shareholders.

The above information does not affect the information disclosed in the 2023 Annual Report and save as disclosed in this announcement, all other information in the 2023 Annual Report remains unchanged.

By order of the Board
China Merchants Land Limited
JIANG Tiefeng
Chairman

Hong Kong, 11 July 2024

As at the date of this announcement, the Board comprises Mr. JIANG Tiefeng, Mr. HUANG Junlong and Mr. Li Yao as non-executive Directors; Dr. SO Shu Fai, Mr. WONG King Yuen and Ms. CHEN Yan as executive Directors and Dr. WONG Wing Kuen, Albert, Ms. CHEN Yanping, Dr. SHI Xinping and Mr. IP Man Ki Ryan as independent non-executive Directors.